



April 6, 2011

The Honorable Paul D. Ryan
Chairman
Committee on the Budget
U.S. House of Representatives
207 Cannon HOB
Washington, D.C. 20515

Dear Chairman Ryan:

On behalf of the National Federation of Independent Business (NFIB), the nation's leading small business advocacy organization, thank you for your efforts to address our nation's fiscal problems. Small business owners have struggled through these difficult and uncertain economic times, and they want their government to address our spending and debt problems with the same focus and seriousness as the private sector.

Unsustainable government growth crowds out the private sector and leads to negative economic consequences like higher tax rates – small businesses know that they cannot grow and create jobs under such conditions. We hear a common refrain from small business owners – they have to balance their budgets to meet everyday expenses, and they expect the federal government to spend within its means as well. Our nation's small businesses are calling on Congress to fix our dangerous fiscal situation without damaging economic growth or raising taxes on job creators.

Your budget also addresses tax reform, in particular reforming the individual tax code. Since 75 percent of small businesses are structured as pass throughs, reforming the individual code is especially important. The complicated tax code, which forces small businesses to pay 67 percent more for tax compliance than larger corporations, needs to be simplified. High tax rates and tax code complexity continue to be a persistent problem for small business owners. According to the most recent NFIB Small Business Problems and Priorities survey, federal taxes on business income rank as the third worst problem and tax complexity holds fifth place among major concerns.

If our long-term fiscal outlook is not addressed by lawmakers today, future generations will be faced with higher debt and interest payments, increased tax rates and fewer investment opportunities. Small business owners deserve an environment that provides them every opportunity to prosper.

Sincerely,

A handwritten signature in black ink that reads "Susan Eckerly". The signature is fluid and cursive, with a long, sweeping underline.

Susan Eckerly
Senior Vice President
Public Policy